

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON EDUCATION

Call to Order: By **VICE CHAIRMAN BOB LAWSON**, on February 7, 2001
at 3:00 P.M., in Room 137B Capitol.

ROLL CALL

Members Present:

Rep. Gay Ann Masolo, Chairman (R)
Rep. Kathleen Galvin-Halcro, Vice Chairman (D)
Rep. Bob Lawson, Vice Chairman (R)
Rep. Joan Andersen (R)
Rep. Norma Bixby (D)
Rep. Gary Branae (D)
Rep. Nancy Fritz (D)
Rep. Verdell Jackson (R)
Rep. Hal Jacobson (D)
Rep. Larry Lehman (R)
Rep. Jeff Mangan (D)
Rep. Joe McKenney (R)
Rep. John Musgrove (D)
Rep. Alan Olson (R)
Rep. Ken Peterson (R)
Rep. Butch Waddill (R)
Rep. Allan Walters (R)
Rep. Merlin Wolery (R)

Members Excused: None.

Members Absent: None.

Staff Present: Connie Erickson, Legislative Branch
Nina Roatch, Committee Secretary

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 427, 1/29/2001
Executive Action: HB 353; HB 265; HB 358;
HB 297

HEARING ON HB 427

Sponsor: REPRESENTATIVE ALLEN ROME, HD 56, Garrison

Proponents: Tom Cotton, Superintendent of Schools,
Elementary District, Deer Lodge
Greg A. Pohle, Brown Schools
Erik burke, MEA-MFT
SENATOR TOM BECK, SD 28

Opponents: Jani McCall, Intermountain Children's Home,
Yellowstone Boys and Girls Ranch
Kristi Blazer, Children's Compensation Services

Informational: Elizabeth Harner, Licensing Program Manager of the
Department of Public Health and
Human Services, Quality
Assurance Division
Mike Barrett, Artists and Agency
Bob Runkel, OPI

Opening Statement by Sponsor:

REPRESENTATIVE ALLEN ROME, HD 56, said there are three main sections to the bill that the committee should be concerned with: In section 4, lines 27 - 30, page 5; section 4, lines 1 - 12; and also in section 5, lines 2 and 3 and lines 14 - 19. He handed out some amendments given to him by the Department of Public Health and Human Services. He considers these to be friendly amendments. **EXHIBIT (edh31a01)**

Proponents' Testimony:

Tom Cotton, Superintendent of Elementary District, Deer Lodge, said the bill is introduced on behalf of his district. His testimony is in support of the two residential treatment centers that are located in his district. The bill is not intended to be derogatory towards other institutions. He hopes to get across to the committee the matter of fairness and where the responsibility lies. About three years ago, his district was faced with the introduction of a residential treatment center on the old Galen Campus. It was opened as a treatment center for emotionally disturbed children. When that particular institution opened on that campus, the responsibility for the educational programs became the responsibility of his high school district. They were fortunate, at the time, that there was money available through the state and they were able to secure funds to begin the cost of

the program. At present, they have a full-time teacher and a full-time aid on that campus. Currently there are twelve students, five of them are K-8, which falls in his elementary district, and the other seven are high school students. These students are special needs students and they are students that would not be able to come into the regular school setting. One of the students that was put into the program was a former student they had in public schools from foster care and they couldn't handle him in their regular special education programs. They are very high-needs children. Over two years ago, the program at Brown School began and originally the students there were juvenile sex offenders. The contract was with the Department of Corrections. As many of you are aware, the program has now shifted to Pine Hills and the Department of Corrections no longer has a contract with the Brown School. Those students have not been their responsibility, but under statute, they could be their responsibility. This kind of situation places problems on school districts. An article in a recent newspaper said the state is trying to cut down on the number of juveniles that it sends out of state. Within the next six months the state wants to bring one hundred of the out-of-state students back to Montana. Where are they are going to place these students? In their district they have been in a declining enrollment situation, which obviously creates budget concerns for them. Next year, with a zero percent increase in entitlements, his district will be facing \$142,000 in budget cuts. That is typical of their school district for the past few years. They have an additional problem. His school district is a very high needs district. Twenty-one percent of the students in his school district receive special services. That means that a high percentage of the funding in his district is allocated towards special needs. With declining enrollments and the fact that special education funding is based upon the total student population, he receives less special education funds, even though the number of students is increasing. When you add the burden of these other students on the district, it makes it very difficult for them to provide programs. The problem, the thing that is very difficult for him as an administrator and educator, is that at some point in time he becomes concerned that he will be faced with pitting programs against programs. If you take a look at his school district, he can tell you that his marching orders in the community and from his board of trustees are very clear. They will not take funds away from his students in his district. Almost 100% of the students on the campus are not residents of Powell County. They are students that have come in from Glasgow, Billings, wherever. That creates the problem. Is the responsibility for providing the educational programs for these students totally his district's responsibility? The issue is, that in most cases, when the students are brought into the district, the startup costs are not there. They can charge

tuition and they can get the ANB. As you know, that is a year in arrears. That doesn't come upfront, it comes after the fact. The initial costs of providing for the teachers and aids falls right on the local school district. They have to support these programs. When you are in a district like his, where he has been reducing regular schoolroom teachers at a regular rate each year, it is very difficult to explain to people how you are going to put a person in another situation to provide a special program for students that may not be residents of your district. For some of the students in the program at Galen, they have a therapeutic aid with the student. The student is supervised 24 hours a day. The committee needs to look at the responsibility that the state has and particularly if they are talking about bringing back students from out of state. He agrees that the best place for Montana students is in Montana. Should it be the responsibility of the Deer Lodge education district to provide the education programs for these students, when they are already faced with budget cuts, program reductions and the lack of ability to maintain their own school program? The day treatment money has been there, but you have to realize those funds are fluid. No one knows from one year to the next how much money will be available. There is no guarantee. If those funds do not come when he has a program increase, because these programs can start up in the middle of a budget year, like some of them have, and his budget is already set, where does he go to get the money for the startup costs? If they don't fit in the cycle of the day treatment funds, what does he do? It is a real concern and he hopes that as the committee listens, they will understand that other communities are not immune. Some school districts having problems call OPI and OPI tells the district to call **Mr. Cotton**. He knows of two school districts in Montana faced with this problem. He is asking for fairness. His district doesn't believe these programs should have the potential of taking away from their own programs for their students. He would like to have input into the fact that these programs come into his district and they would like the input before they come and need their services. They don't like to learn about the needs after they exist. At the very least, his district would hope this body would consider doing something to make sure that there is money available to pick up the startup costs.

Gregg Pohle, Director and Administrator, Brown School, Deer Lodge, said his school's main agenda in supporting the bill is that the school's job is to educate Montana kids in areas of schooling and areas of social appropriateness. The school has kids that Brown School thrives on, they are the kids that no one else wants. The kids in the school are all sex offenders. They would not make it in a regular public school setting. Many of them have mental health issues that go along with the criminal issues. They want to educate the kids on how to be productive

members of society when they come out. The last thing the Brown School wants to do is become a financial burden on the school district that it is in. That is the main reason he is at the hearing. He believes that **Mr. Cotton** and he need to work in conjunction with the school district and the state to educate the kids because when they turn 18, they will be going back into Montana communities. His facility is mainly financed through individual contracts with the Department of Public Health and Human Services as well as the Department of Corrections. Early this year he had a contract that expired with the Department of Corrections to house their sex offenders until their program opened up at Pine Hills. They are accredited through the Northwest Association of Schools and Colleges. The high school eligible kids get their credits through Powell County High School. They contract with many teachers throughout the community that come to the campus and teach core-related subjects.

SENATOR TOM BECK, SD 28, stated that Brown School is located in his district. There has been a similar bill before the legislature in the past. The legislature looked at it before. It is a fairness issue and it creates a problem. There was a time when Montana had most of these students going out of state. It was a very expensive program. It is much cheaper to have the kids in state and do the education here. His problem with the idea is that the cost is put back on the school district of that area. It doesn't increase their tax base, it doesn't do anything for them. Why does the legislature has something on the books that says they want those kids in Deer Lodge, but not in my backyard. Put it in someone else's backyard because it is a burden to the taxpayers in the school district. He urged the committee to allow OPI to fund this program. His concern is that the way it is working now, it takes away from the kids in the local school who live in Deer Lodge. He knows there is a fiscal impact involved and he doesn't know how to alleviate that. It would be more expensive if the person is sent out of state. That is a much greater fiscal impact.

Opponents' Testimony:

Jani McCall, Intermountain Children's Home, Yellowstone Boys and Girls' Ranch, said they are in favor of the bill and they are not in favor of the bill. They agree with the witnesses that have testified as proponents. They promote the idea that the kids in Powell County should be educated. They have a great deal of respect for the provider groups that are wanting to become part of this scenario. Her schools have a problem with the finite amount of money that is available through OPI to supply these school day treatment services. Her concern is that if it goes to

OPI without secured additional funding, the pie is going to be spread out further and further. It becomes a real issue of fairness then because there is not going to be enough money to go around. The thing she wanted to point out was that this bill includes kids with behavioral problems, so it expands the number of kids who would fit into this category. Yes, they support the concept of the bill. They believe it is important for these kids to be educated. They support these provider groups. Unless the legislature secures additional funding, they absolutely oppose the bill.

Kristi Blazer, Children's Comprehensive Services, Butte, said her client is in the same situation as **Jani McCall** is. They support the concept of the bill but cannot support the bill unless there is a line item in the budget to support the cost of the program supported by the bill.

Informational:

Elizabeth Harder, Licensing Program Manager of the Department of Public Health and Human Services, Quality Assurance Division, said she was present to offer a friendly amendment to the bill. The intent of this bill is to add residential treatment centers and list the facility as eligible for contracts of OPI. Her department already licenses residential treatment centers under the broader term "youth care facilities." However, on page 6 of the bill, the term "youth care facilities" is used without qualifying what type of youth care facility is intended. Youth care facility is broadly defined in Title 41, Chapter 3 of the Montana Code. Youth care facility currently includes youth foster and kinship families, youth group homes, youth assessment centers and childcare agencies. In addition to the sub-category of residential treatment center, on page 6, section 5, subsection 2 of this bill, the very broad term "youth care facility" is used and implies that all youth care facilities, as she had just outlined, would be subject to the criteria set forth in this act. The department would like to clarify, through these amendments, that only residential treatment centers are eligible for contracts with OPI. Fostering and kinship families, youth group homes and youth assessment centers and all other categories under the term "youth care facility" are not intended to be included in this legislation. The amendments put additional language in section 5, subsection 2, by changing the term "youth care facility" to read, "youth care facility-residential treatment center." The list of amendments as noted on the handout before the committee would create consistent use of the term "youth care facility-residential treatment center" throughout the bill. The **SPONSOR** and OPI have reviewed the amendments and are in favor of the clarifying amendments.

Bob Runkel, Director of Special Education, OPI, said providing information on the bill is a big job. This is a very complex subject and has a lot of intervening variables that affect numerous parties. It affects multiple agencies. He gave a picture of what is current law. In order to understand what is being proposed, it is important to understand the foundation of the system that Montana has in place right now. Current law requires OPI to make payments to residential facilities to cover education costs. Those facilities currently include Children's Comprehensive Services in Butte, Yellowstone Boys and Girls' Ranch in Billings, Shodair Hospital in Helena and Intermountain Children's Home in Helena. The biannual appropriations that are provided to OPI to make the payments is approximately 1.9 million dollars at the biannual appropriation. These current facilities, under a negotiated agreement based on allowable costs, currently receive approximately \$52 per day for up to 227 days of instruction. What that leaves, of the approximate one million dollars available annually, is \$400,000. To add complexity to this, **HB 2** has historically contained language that permits the remaining balance in funds to be distributed to public schools for purposes of paid treatment. This amounts to an average of approximately \$400,000 annually. Some of what **Mr. Cotton** was talking about, regarding revenue from OPI to offset some of the startup costs of the group homes in his district, is the very revenue source he was referring to. Why are the current four facilities eligible for funding? Current law specifies that the facility, to become eligible for funding, must provide psychiatric care and participate in the Medicaid program for psychiatric facilities. Basically what that means is to be eligible under current law, the facility must meet the health care finance administration standards for medically-based services for providing psychiatric care for children who need to be in a residential or hospital environment in order to meet their medical needs based on their emotional disturbance. What is in place in current law is a system that requires OPI to make payments to the types of facilities that are driven or hold to the standard of a medical based system. The number of students over the past decade that have been in these particular types of programs and the number of facilities eligible for funding under current law have remained relatively stable. When the bill was first passed about a decade ago it established this method of funding programs like Shodair and Yellowstone Boys and Girls' Ranch; there were four eligible facilities. Today there are still four eligible facilities. The new bill modifies current law to include a new group of facilities holding the license of child care facilities-residential treatment center. This license is a standard that is much different than the definition of residential facility in current law. This license does not

require HCFA qualifications that would allow them to access Medicaid funds. As such, the standards are much different in that the types of programs often have a behavioral base to them as opposed to a medical model of delivery. It is likely to include more children. The law before you does not limit the kinds of kids, the kids with emotional disturbance, instead it also adds kids with behavioral disorders. It also includes adjudicated youth. You are broadening, fairly substantially, the number of potential facilities eligible for payment, as well as the number of children who would qualify for payment. It is the feeling of OPI that adoption of this bill would require an additional appropriation. It OPI's understanding, in order to fund this bill, it would require all the appropriations that are currently made available to public schools for purposes of day treatment. His guess is that it would require, in addition to the money that's now going to schools for day treatment, an added and new appropriation of somewhere between one and two million dollars in order to meet what he believes to be the potential costs of the bill. It is very difficult for OPI to project in the future what other private facilities, licensed or unlicensed, might modify their program and seek licensure as a residential treatment center. From his past experience in working in partnership with the mental health people, there is a significant incentive for programs to follow available funding streams and this would create a new funding stream for providing costs related to serving children. The reason OPI is here as an informational witness is to inform the committee that the bill does have a benefit too, in terms of public schools. The bill will relieve the potential of public schools where these facilities happen to be located from potentially having to provide education to these students. The bill would make available the state funding go directly to the facilities, so OPI would not be put in the position of enforcing the child's right to be able to have access to an education program and enforce that upon the local public schools. This bill would help both OPI and the school from being put in that circumstance. It would be OPI's responsibility under the Individual's Disability Education Act. If any of these kids who are in one of these facilities is not able to get an appropriate special education program, in order for OPI to continue to receive the close to eighteen or nineteen million dollars annually from the federal government under IDEA, OPI would be put in the position of finding someone to provide those special education services. Current law and regulations places this requirement on the local public school where the child resides. Is it still workable? The answer to that is probably yes. They have a track record with the medically based residential treatment facilities and the success that OPI has had with negotiating those costs, guaranteeing the services being provided, etc., has worked. This bill basically provides for the same structure. It requires OPI

to negotiate with any facility that would be eligible based on an allowable cost structure. OPI would look at their expenditures, based on those expenditures OPI would try to figure out what their real costs were in providing the education and arrive at an agreeable amount of money to be able to serve those kids. The structure that is in the bill is workable. From a bureaucratic, administrative, or management level issue, he thinks it is important to realize that the current level of appropriation is not adequate to make the system work. The structure is there, but, based on the fiscal note, obviously the appropriation is not. Secondly, in order to not disrupt the system that is currently working, and he believes it is working well, if there is an additional appropriation, he would strongly encourage the committee to make that a separate line item for this new group of providers. That would then make sure there remains the stability that they have enjoyed with the residential treatment facilities as OPI tries to work through the uncertainties of the provisions of this particular bill. Part of the confusion relative to the impact of this bill is, who does this affect and what type of facility does it affect? The bill only applies to facilities that have now or might someday obtain the license of residential treatment center. It does not cover circumstances like the kids who are currently in the AWARE program that is located at the Galen Campus. That program does not currently hold the license of childcare facility-residential treatment center. If everything remains the same and only the facilities that currently have licenses apply, it would presently only apply to two facilities, that would be what is known as the Brown School in Deer Lodge and the Swan Valley School.

Mike Barrett, Helena, stated he has a deep interest in education.

Questions from Committee Members and Responses:

REPRESENTATIVE MANGAN had a question for **Mr. Pohle**. Does Brown School receive a day rate for students that they serve? What is that amount? **Mr. Pohle** said with the DOC, probably a little more than \$200. **REPRESENTATIVE MANGAN** asked if the Brown School provides education services for the youth he serves or is the Deer Lodge Public School system providing those services by coming on campus? **Mr. Pohle** said that both situations are happening. They have two full-time teachers employed at the Brown Schools that teach K-8. They have most of their students in the seventh and eighth grades. They have a teacher that is certified elementary and a high school teacher that teaches government and history. They contract with other teachers in the community for the other core subjects the students need in order to get the necessary credits to graduate. **REPRESENTATIVE MANGAN** continued. Do you utilize part of your day rate to cover the

cost of education? Is part of that budgeted for educational services? **Mr. Pohle** said it is budgeted in the \$200 rate.

REPRESENTATIVE MANGAN asked if there are instances where you currently contract with the local school district for them to provide services on campus? **Mr. Pohle** said, yes, we do. They do not contract for special education. They contract with a special education teacher from Butte. **REPRESENTATIVE MANGAN** asked how much of the day rate is budgeted for education, approximately? **Mr. Pohle** said he would speculate about sixty or seventy-five dollars a day. **REPRESENTATIVE MANGAN** asked if it would be feasible for the Brown School's day rate to be reduced, if this bill passed with the necessary appropriation? **Mr. Pohle** answered yes, by the amount of cost-breakdown for what is appropriated for a daily rate for education and then subtract that off the per-diem. **REPRESENTATIVE MANGAN** then asked, in your contracts with the DOC or DPHHS, does your contract specifically state that you will provide educational services to the youth that you serve? **Mr. Pohle** said yes.

REPRESENTATIVE MANGAN had a question for **Mr. Cotton**. He said that he assumes one of the potential problems here is that you are unable to serve the students at Brown School on your campus within your school buildings because of behaviors or whatever. Can public schools currently contract and still receive the ANB dollars? Can you send a teacher to one of these campuses to provide the necessary services, or does it have to be done on the public school campus? **Mr. Cotton** said he would assume they would be employed through the district. They would be like an itinerant teacher that his school would place on site. They would be employed by his school district. **REPRESENTATIVE MANGAN** asked, can you do that? **Mr. Cotton** said he could see no reason why he could not do it.

REPRESENTATIVE OLSON had a question for **Mr. Runkel**. How many children do we currently have placed out of state in programs like the one we are looking at? **Mr. Runkel** said OPI currently does not pay for kids who are out of state and so the number of kids out of state are tracked by the Department of Public Health and Human Services and the Department of Corrections. His guess would be that over the years it has varied from 60 or 70 to one 150. There is quite a variability from year to year based on many circumstances, including funding streams. **REPRESENTATIVE OLSON** asked if out of state placement is paid for by the Department of Corrections? **Mr. Runkel** said the answer to that is yes, the state law specifically requires that if a state agency places a child out-of-state, the costs for that placement, includes education and the responsibility rests with the agency that made the placement. **REPRESENTATIVE OLSON** asked, why can't

the Department of Corrections pick up this tab rather than taking general education dollars to fund the bill? **Mr. Runkel** said he thinks that issue is complicated and probably should be answered by the Department of Corrections. He said part of the circumstances that led to this bill are some changes that are occurring with DOC. Some of the changes are something called pilot projects that are being used right now by DOC where appropriations for serving adjudicated youth are distributed to the juvenile judicial districts. When that money goes to those judicial districts, then the district courts find themselves sometimes directly placing those children into pilot programs. Some of the programs that are affected by this bill, particularly the Swan Valley group, serve kids that are not under the custody of DOC and were placed there by the judicial district.

REPRESENTATIVE OLSON continued. A number of years back you worked very close with the Roundup District in placing a young gentleman in a normative school in Sheridan, Wyoming. When they had students placed out of district in various institutions, they were required to pay out-of-district tuition. Can the home district be required to pay the costs? **Mr. Runkel** said yes. Under current law, if the Deer Lodge School District was to serve children in one of these programs, after the year of startup, which is the concern because there isn't money for the first year a program gets going, his understanding is that tuition could contribute to the payment of those costs. The payment would go to the public school district. OPI believes tuition is reserved for payments to public school districts as opposed to payment to private programs. **REPRESENTATIVE OLSON** asked how that arrangement was done between the Roundup school and the normative school in Wyoming? He believes the Roundup school contributed money and so did OPI and the district contributed through the county. **Mr. Runkel** said he did not remember. If it was some time ago, before OPI transferred funds to DOC, then Roundup could have been responsible for the funds and OPI helped them out. In recent years OPI transferred about \$300,000 to both DPHHS and DOC to insure that if a kid is placed out of state by these agencies, the agencies pick up the tab for the placement so there is not multiple players trying to negotiate who pays for what; there is one entity.

Closing by Sponsor:

REPRESENTATIVE ALLEN ROME, HD 56, Garrison, said these are citizens of Montana and they do need an education. We can get ANB for those students, but you need to start the program first.

EXECUTIVE ACTION ON HB 297

Motion: REP. MANGAN moved that HB 297 DO PASS.

Discussion:

Motion: REP. MANGAN moved that HB 297 BE AMENDED.

Discussion:

The CHAIR said the amendments are numbered HB029701.ace.
EXHIBIT (edh31a02)

Connie Erickson was asked to explain the amendments. The request was to take the appropriation out of the bill and to simply require the university system to pay the stipend. She thought she could take it out and say the Board of Regents could pay. After visiting with the chief legal counsel for Legislative Services Division, she found out she couldn't do that because there isn't any money appropriated to the Board of Regents to do something like this. He suggested it be written so that the \$500 would be paid by the Board of Regents out of the tuition and fees paid by the student teachers. She said she felt she had to tell the committee that **REPRESENTATIVE RASER** came into her office and asked about the amendment and she told her she had been approached about doing the amendment along these lines. **REPRESENTATIVE RASER** said she would oppose the amendment.

REPRESENTATIVE MANGAN apologized for moving **REPRESENTATIVE OLSON'S** amendment. He said if the **SPONSOR** opposes the amendment, then he cannot support it. It will cost the students even more tuition if the college takes the money out of their fees. That wasn't the intent of the sponsor.

REPRESENTATIVE GALVIN-HALCRO asked **REPRESENTATIVE OLSON** if his intent with the amendment was for the student teacher to pay the stipend to the supervising teacher or was his intent to have the units of the university system pay it? **REPRESENTATIVE OLSON** said his intent was for the university to pay the stipend, by whatever means. While those students are doing their student teaching they are also paying tuition. It is not impacting the university to the extent that the tuition they are paying cannot be used to pay the stipend.

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REPRESENTATIVE GALVIN-HALCRO asked if he meant for the university system to pay the stipend from the tuition paid by the student teacher. **REPRESENTATIVE OLSON** said that is correct.

REPRESENTATIVE JACKSON said he remembered the conversation and the university told the committee that while the student teaching is occurring, the student is not formally taking any classes. He agrees with **REPRESENTATIVE OLSON** that the university is collecting tuition during that time. He said the university said for the whole program they need a certain amount of money and if they have to pay the increased stipend to the teacher they will increase the total amount the student teacher pays. They have the option to do that. They also have the option to negotiate so that the student would pick up part of the increase and the school could do the same. The committee should leave some flexibility for them to do that.

REPRESENTATIVE PETERSON reminded the committee that he asked **REPRESENTATIVE RASER** about the student paying the stipend and that this would allow some compromise, but the legislature has no control over the university system in this matter. They could up the tuition by \$500. The intent is that it is to be paid by the Board of Regents out of the tuition and fees paid by the student teachers. Hopefully they will pay it, but there is no control.

REPRESENTATIVE LEHMAN said, as he recalled the conversation, that was pretty much the gist of things. There should be some extra money when the student is not on campus that the university system could spare to pay this stipend to the supervising teacher. He had no idea how it would be broken down, if they took the salary of a professor or teaching assistant teaching on the university level and divide it by the number of classes and the number of students in those classes. You might come up with a figure of about \$500. Since it is actually the supervising teacher who is doing the teaching, why not have the university give that \$500 to the supervising teacher?

REPRESENTATIVE MC KENNEY said that he is on the amendment. He thinks if the numbers support this concept and support the bill, one needs to support the amendment. It does come down to funding and if this bill passes without the amendment, it is going to go to appropriations and it won't come right back up. The bill will need the amendment in order to pass.

REPRESENTATIVE MANGAN said he thinks the only way one can support the amendment is to add another amendment that says under no circumstances can the university raise the student's tuition. If the committee passes the bill out with the present amendment, the committee could be setting up another tuition increase for

potential teachers. That is the opposite of what we should be doing. He would imagine that **REPRESENTATIVE RASER** would rather take her chances with the original bill getting killed in appropriations, than even think about carrying a bill that would potentially increase the cost a student has to pay in order to get his education degree.

REPRESENTATIVE FRITZ said, as a supervising teacher for many years, she should say that the dollars are not the main reason teachers are turning away student teachers. The main reason is that secondary and elementary teachers know that teachers have less time than they used to have. Without being present, it would be very hard for committee members to understand the amount of time and work needed to qualify or disqualify teachers. It is an enormous effort and it goes on over a period of four years. In the office of student teaching they maintain a staff of three: One full time professional person, two secretaries, usually two graduate students working with those students. If there is a problem out in the field, not only is the supervising teacher working with them, they have a supervisor from the student's school of education who has to visit them at least five times a quarter and if it is a foreign language student or a science student, then the campus has to go out and take time away from the classes to supervise them. All those things add up to a lot of work by the school of education. It is not like any other department or school on campus. It has to maintain contact with OPI and other states so that we don't end up getting candidates that are disqualified in other states. If the committee looked at it honestly, it would say it is going to place an unfunded mandate on the university system. The university cannot afford to do this. Secondary and primary teachers in this state support the University of Montana System and they would not want to see it burdened with another problem.

REPRESENTATIVE OLSON said the university system may not be able to absorb this cost, but when you look at the state of affairs, trying to make ends meet budget-wise, there is no one present that wants to get money for K-12 more than he does. If we don't have K-12 education in this state, we sure aren't going to have a university system. That is \$700,000, if there is \$700,000 left, that can go to K-12 education. He is a firm believer about that.

REPRESENTATIVE PETERSON said that he believes teachers to be professional people, just like he is. If the university system can't pay the stipend, then the teachers, like other professionals paying professional exam fees, will have to pay this cost. He will support the amendment.

REPRESENTATIVE LAWSON said he had talked to **REPRESENTATIVE RASER** about the bill and said that he thought the only way it would get out of committee was with this kind of amendment. She thought about it for a day and got back to him and indicated that she would not be in favor of such an amendment. He still believes that such an amendment is necessary to get it out of committee.

Motion/Vote: **REP. MANGAN** moved that **HB 297 BE AMENDED. Motion failed 9-9.**

REPRESENTATIVE MANGAN said if the committee thinks the bill is a good idea and it goes to the floor for discussion or it goes straight to appropriations, that is the system. According to the number of letters he has received, this is an important issue. He believes the bill needs its time on the house floor and it deserves its chance in appropriations. The bill deserves the process.

REPRESENTATIVE MC KENNEY stated his priority is increased funding in education and his priority is ANB, but he did support the amendment, at this point he cannot support the bill.

REPRESENTATIVE OLSON stated he appreciates all the comments that were made, but he opposes the bill because of the money issue. He is trying to find money and in his mind the bill takes away from what he is trying to support.

REPRESENTATIVE LEHMAN said he favored the amendment, but if **REPRESENTATIVE RASER** was not comfortable with the amendment, he could not vote for it. Had the amendment passed, he would probably have voted for the bill. He sees a need to prioritize and he is saving his plus votes for ANB.

REPRESENTATIVE WADDILL said he sits next to **REPRESENTATIVE ART PETERSON** who is on the Education Appropriations Committee and he has been giving **REPRESENTATIVE WADDILL** all the slips he receives from different people about cutting education funds. He doesn't think the House Appropriations Committee should be the fall guy for everything. He believes this committee has to take responsibility for fund decisions also. He believes in the bill, but realizes the funds just aren't available. The priority needs to be to K-12 education.

REPRESENTATIVE MANGAN spoke again. He said he hasn't seen a revenue estimate yet. This isn't making the appropriations committee the bad guy. If the committee knew exactly how many million dollars are available in education, it might make the committee's job easier. Everyone has to go with scope and vision. The committee is assuming, because of horror stories,

everything is going to be cut. It could be true. He hasn't seen an estimate. By moving bills along, it doesn't make appropriations the bad guy. We don't know what the figures are.

REPRESENTATIVE ANDERSEN said, because they are members of the education committee, she has received two or three messages a day asking for the committee to put as much money as they can into K-12. She would guess the other members of the committee are receiving the same kind of messages. The committee needs to listen to the people who are talking to them and do what they can, in a year that they know the budget is tight, and provide as much as they can for K-12.

REPRESENTATIVE JACKSON said that we do know that the legislature has more proposals for educational needs than they have money to support them. He thinks that this committee has a tremendous responsibility to set some priorities. It spends the time on these issues. Bills get a better hearing in the committee than they will ever get in the house. They do need to make decisions in this meeting. If the committee passes the bill, whether it is post secondary or secondary, and it is funded, it does cut whatever is put in the base. He favors an increase in the base because of school needs. The critical problem is in the base. There won't be time on the floor if every committee does this.

REPRESENTATIVE GALVIN-HALCRO said she also receives messages from Montana people. What she would like to see happen to this bill, because she sees so many members of the committee on both sides of the aisle coming together and working hard on many issues, is see the bill passed out of committee and give **REPRESENTATIVE OLSON** and **REPRESENTATIVE RASER** and the commissioner's office time to work on the bill. If the bill is tabled, they are not going to have the opportunity to work on it. They need to be given the opportunity to try to work it out. If it is tabled, it might not be brought forth for another two years.

REPRESENTATIVE PETERSON said he has seen plenty of bills come off the table. Maybe **REPRESENTATIVE RASER** will change her mind about the amendment. Maybe they can work out a different language. He is not worried about the bill being tabled, if that should happen.

Motion/Vote: REP. MANGAN moved that HB 297 DO PASS. Motion failed 9-9.

EXECUTIVE ACTION ON HB 353

Motion: REP. FRITZ moved that HB 353 DO PASS.

Discussion:

Connie Erickson reminded the committee members that they have amendments HB035301.ace, in their folders.

REPRESENTATIVE FRITZ reminded the committee that there were no opponents to the breakfast program. The proponents were many. Testimony came from the Montana Association of Dietitians; they spoke to the nutritional benefits of the School Breakfast Program, not only to needy children, but to all children. School food programs, both the breakfast and the lunch, are an excellent way to teach children what a balanced meal should be. They also taught her that no family, needy or not, can duplicate the meals at such a low cost. Nurses told of the long and short term benefits of the food programs. A milk processor told the committee that all the milk comes from Montana cows, so the program qualifies as an economic incentive. The committee learned that there is a positive link between nutrition and a child's learning. The committee heard that there are schools in the field waiting to start up programs. There are several programs on the TANF list wanting funding, but it is felt this program has high priority and is not asking for a large sum of money. The committee should see the broad range of support and, for all the children of Montana, she is hoping for a do pass.

Motion: REP. FRITZ moved that HB 353 BE AMENDED.

Discussion:

REPRESENTATIVE FRITZ said the third amendment is the only one that makes a significant change. It changes it so that a school district that wishes to participate in the school breakfast program may apply to OPI for startup funds. It takes the responsibility off the superintendent and puts it on the principals to apply. It doesn't say there will be 20 programs a year, but may be 20 a year. The other change takes the money from DPHHS and puts it directly in the pockets of OPI.

REPRESENTATIVE JACKSON asked if that means it is still TANF money that is transferred to OPI?

REPRESENTATIVE FRITZ said that is how she understands it.

REPRESENTATIVE OLSON asked permission to ask **Mr. Cooper** a question. What would be the cost of OPI running this program if this appropriation was to go to OPI? Can they handle it within their existing programs? **Mr. Cooper** said that as he understands it, the money would go to the schools and there is no money in this appropriation or this TANF money for OPI.

Motion/Vote: REP. FRITZ moved that **HB 353 BE AMENDED. Motion carried unanimously.**

REPRESENTATIVE JACKSON said he was on the Health and Human Resources Committee last term, so he knows the types of things funded there. He does know that there appears to be some extra money available and he has seen two other proposals floating around. He favors this one and he believes the bill should be passed so it is first in line.

REPRESENTATIVE MANGAN said there are probably over 15 bills that deal with TANF funds this session. They deal with significantly more money than this particular bill. This a fantastic bill and he heard about it on CNN the night before. It needs to be passed.

REPRESENTATIVE LEHMAN stated it is a good bill, but they need to remember that the TANF funds being requested are for startup costs only. Recall that **Superintendent Dennis Davis** said his breakfast program is self sufficient and pays its own way. He checked with OPI and spoke with **Mary McAulay, Director of School Food Services**. This is for startup costs only and most schools already have hot lunch programs, which means they have in place the ovens, the refrigerators, the tables and all the equipment necessary for a hot lunch program. The equipment will also work very well for a breakfast program. His question to **Mary McAulay** was, what is the turnaround time from the time when reimbursement is requested. She said it is about thirty-five to forty days. If most breakfast programs are self sufficient, he doesn't see any need for TANF funds going into a breakfast startup program. If a school district can carry a program for a one month period, the money starts to roll back in terms of reimbursement. He feels the TANF funds can go to a better appropriation than be used for startup. All that is being talked about here is a one month period, if the information he received from OPI is correct and he assumes it is. He feels that a good school lunch program is vital and also a breakfast program. Breakfast is probably the most essential meal in a student's life. On the other hand, there comes a point in time, when a person becomes a parent, he needs to accept some responsibility for becoming a parent, that

includes food, clothing and shelter. If the parent has to get himself out of bed a half hour earlier, to provide his child with a simple breakfast, that a school breakfast provides, he believes as a parent, one has that responsibility. He will vote against the bill.

REPRESENTATIVE MASOLO said she is in favor of the breakfast program after talking with the people in White Sulphur Springs. They had a very controversial time deciding to put it in the school system. They now believe in the breakfast program. They brought up some points that she had not thought of in regards to the breakfast program. When the basketball players have an early practice, when they are finished they can eat breakfast at the school. Townsend said they didn't start a program because of the scheduling of the buses. That doesn't have anything to do with the bill. The problem she has with the bill is that they are startup funds. They said a toaster and possibly a few baking items are necessary. She is not going to vote for the bill because it is for a startup program. She had a question as to how many FTE's would be necessary to run the program at OPI.

REPRESENTATIVE FRITZ responded to **REPRESENTATIVE MASOLO**. If the lunch program is in the school, you extend the hours. As she understood from OPI, what they have mostly with schools that do not have the breakfast program, there may be slight startup costs. All schools beginning the program are not going to receive \$4,500. OPI will determine what is to be received.

REPRESENTATIVE MASOLO said her question was whether OPI would need additional manpower. **REPRESENTATIVE LAWSON** told her that OPI had already said they would not. She doesn't believe that OPI should be involved with TANF funds. She wants the TANF funds to go to some other programs.

REPRESENTATIVE PETERSON said he had mixed feelings. He has some feelings along the line expressed by **REPRESENTATIVE LEHMAN**. The parents have some responsibility and the legislature is allowing them to abdicate their responsibility when the school provides breakfast for the kids, but at the same time he believes that breakfast for children is probably the most vital meal of the whole day and very important for learning. If we keep allowing parents to abdicate, rather than educate them, it's a bad move for society. He will probably vote against the bill.

REPRESENTATIVE MASOLO said when she was visiting the schools about breakfast, one of them said they had stopped big breakfasts and gone to cereal and toast. That could be done at home very easily. Another school said that they cook big breakfasts.

REPRESENTATIVE FRITZ stated that the waste discussed at the hearing was with the lunch program. They said there was very little waste with the breakfast program because the kids had choices. To the family issue, she agrees with everyone. We need to educate the parents and she thinks that something the schools are doing now by keeping the young pregnant mothers in school. As to the obligations of the parents, she thinks we are doing a better job with that. When you keep young people coming back for the GED and some of the older programs, we are educating children. She was very impressed by one of the nutritionists when she said that the best ways to educate children about what a balanced meal is, is to have them eat a balanced meal. She knows that is true. Some children need to be given that knowledge by the schools because they don't get it at home.

REPRESENTATIVE BRANAE said that he agrees that it is the parent's responsibility to handle meals and we need to continue to educate parents. Unfortunately, it doesn't always happen and all too many children suffer because of that. He doesn't believe they should punish the children because of the sins of their parents. We have to look out for the children. He supports the bill.

REPRESENTATIVE JACOBSON said there are parents that are trying to do their best, especially those single parents who work the odd hour jobs. It was pointed out during testimony that there are parents who, for whatever reason, have to be at work 6:30 or so. The program gives them the vehicle to allow their children to have breakfast. That idea should be thrown into the conversation.

REPRESENTATIVE GALVIN-HALCRO said what comes to her mind are the kids that come to school who are **ADHD** and they are wonderful social little people. They get to school so that they can be social and often times they take their medication when they are at school. An important component of their medication is that they need to eat. No matter how hard their parents try to make sure they eat before they go out the door, often times they don't because they need to go to school to be social. They get to school, take their medication, and then the breakfast program is available for them. It is part of their medication and what they need. They function much better in her classroom. Often times these little people will need to go down to the lunchroom to get a carton of milk or a piece of bread or whatever they need to get from fifth period to lunch because it is food in their daily diet that keeps them more on track because they are **ADHD**. She would rather make sure that they have an adequate amount of food than more medication, because more medication does not allow them to be the individuals that they are. For nothing more than those little people who are so social and so wonderful in her

classroom, they need to have this at school, let's do it for them.

REPRESENTATIVE OLSON stated that yesterday he was going to vote against the bill. Listening to the discussion today, this is for the kids. This isn't for building bureaucracy. He has doubts that it will take \$180,000 to set the program up. He sees money being re-appropriated after this biennium that will go back into the funds. Small rural districts are needing some help. Roundup has a breakfast program. It was profitable until everyone lost interest in it. Roundup's lunch program has run in the black for the past three years. If this will help, let's do it. It still has to get through TANF. He believes the bill fits into temporary assistance.

REPRESENTATIVE LEHMAN said he wanted to reiterate the point that he is not opposed to breakfast programs. He believes that any school that wants a breakfast program should have one. He is opposed to the use of these funds to start up a program. There isn't a school district in the state of Montana in the month of September, when school starts, that can't carry a breakfast program expense for one month. Then the reimbursement is going to begin. He is saying that these funds are not necessary for any school to start a breakfast program, unless they don't have a hot lunch program. They already have in place the equipment. That is his point.

REPRESENTATIVE FRITZ said that the dieticians who originally gave her the information on the bill told her that many of the schools want the breakfast program as a way of getting into the lunch program, it is not an add-on for most of the schools.

Motion/Vote: REP. FRITZ moved that **HB 353 DO PASS AS AMENDED**.
Motion carried 12-6 with Andersen, Lehman, Masolo, Peterson, Walters, and Wolery voting no.

EXECUTIVE ACTION ON HB 265

Motion: REP. JACOBSON moved that **HB 265 DO PASS**.

Discussion:

Connie Erickson said that she had amendments. This is the second set, please disregard the first set that was passed out to the committee.

Motion: REP. JACOBSON moved that HB 265 BE AMENDED.

Discussion:

Connie Erickson said to look at the amendments dated February 5, 2001. **EXHIBIT(edh31a03)** What the amendments do is they allow not only colleges of technology to participate in this program but also community colleges and tribal community colleges would be able to participate in this running start program. That is the first major change. The other major change can be seen if committee members look on page 1, line 17 There was some concern about the cost and originally they said it would be tuition free. There was all sorts of discussion about whether that was appropriate in terms of cost. What the amendments do is strike "tuition free" and say that the cost of a student to attend a class at a post secondary institution will be determined by the inter-local agreement. The inter-local agreement will work out the financial arrangement so that the district and the college will figure out the finances as to how this is going to work. The next change is in subsection 3, page 1, lines 25 - 28. The amendment takes OPI out of the loop. OPI will no longer be a part of the operation of the program. It will strictly be an arrangement between the district and the college. The district will determine whether the student is eligible to participate in the program without any standardized test involved. The next change occurs on line 28. There was some discussion about the number of college credits that would equal high school credit, whether they were based on a semester or a quarter.

{Tape 2 : Side A}

What the amendment does is say that is part of the inter-local agreement. The district and the college will make the determination. On page 2, line 4 - 6, talks about what the student, who is accepted into a program and drops out will do and how the refund will be handled. The refund will be based on the college's standard policy for a refund. Every college has a standard policy. The next change is on page 4, line 14, some language is added that makes this a discretionary program on the part of the district. It is not mandatory. The amendment strikes all of section 3 of the bill because OPI has been taken out of the bill. There is no need for section 3. The last change is on page 5. Since the tribally controlled community colleges are included, on page 5, the amendment inserts a notification process. They will be notified about the bill.

REPRESENTATIVE MANGAN moved that the amendments be segregated and he would remove number seventeen. He said it had been discussed in the hearing. It was one of the questions that he asked a couple of different people. Since the credits for the class is going to be determined by the inter-local agreement, he believes the refund policy should be determined by the same inter-local agreement. He asked that question of **Dr. Scott** and she would not have a problem with putting that language in the inter-local agreement.

Discussion:

REPRESENTATIVE LAWSON said that he knew that **REPRESENTATIVE FACEY** worked very hard on the amendments and on this bill. He is very interested in salvaging what he has on the bill. With inter-local agreements, we are putting it back on the local people. If the committee believes in local authority, responsibility and control, how can they possibly argue against the bill?

REPRESENTATIVE OLSON said he agrees with **REPRESENTATIVE MANGAN**.

REPRESENTATIVE PETERSON asked someone to define a community college. He does not believe there is one in Billings.

REPRESENTATIVE LAWSON said there are three in Montana; one in Kalispell, Miles City, and Glendive. They have some local funding and they are covered by different statutes. They are different when they are formed. **REPRESENTATIVE PETERSON** asked if the students in the high schools in Billings would have access to this program? **Connie Erickson** said this bill also includes the colleges of technology and there is one in Billings. It is primarily an arrangement with the two year institutions in this state. **REPRESENTATIVE PETERSON** asked why it was limited in this way? **REPRESENTATIVE MANGAN** said that is how the bill came to the committee, but he is going to present an amendment later that might change that.

Motion/Vote: REP. MANGAN moved the **FACEY AMENDMENTS 1 - 21, EXCLUDING AMENDMENT 17 DO PASS. Motion carried unanimously.**

REPRESENTATIVE MANGAN offered a substitute amendment for **REPRESENTATIVE FACEY'S** number 17 amendment. After adding the colleges of technology and the tribally controlled community colleges, it should say "shall reimburse the district as determined by the inter-local agreement." This would follow the

word district on line 6. **Connie Erickson** will write the amendment so that it has the necessary meaning. **REPRESENTATIVE LAWSON** asked **Connie Erickson** to read the wording as it will be in the bill once amended. She read, "The college of technology, the community college or the tribal college shall reimburse the district for costs associated with the student's credit in accordance with the inter-local agreement."

Motion/Vote: REP. MANGAN moved that HB 265, MANGAN AMENDMENT DO PASS. Motion carried unanimously.

REPRESENTATIVE MANGAN brought forth a second amendment. There are a number of communities that do not have access to the types of schools named in the bill. Many smaller communities do access the university system on the met-net system. He offered a conceptual amendment that they add, where appropriate, the Montana University System. **Connie Erickson** suggested that the bill define post secondary institution. Then she will use the term post secondary institution wherever they find the schools listed. **REPRESENTATIVE LAWSON** asked **REPRESENTATIVE MANGAN** if his amendment was to define post secondary institution that will include colleges of technology, community colleges, tribal colleges and the Montana University System. Wherever appropriate in the bill, it will be placed to name the schools involved with the districts. **REPRESENTATIVE MANGAN** said the intent was to open the opportunities of the bill to more communities.

Discussion:

REPRESENTATIVE OLSON said that he appreciates the amendment.

REPRESENTATIVE LAWSON asked the **SPONSOR** of the amendment what **REPRESENTATIVE FACEY**'s feelings would be on the amendment. Would he consider this a friendly step forward? **REPRESENTATIVE MANGAN** said the bill **SPONSOR** was aware of **REPRESENTATIVE MANGAN**'s intention to expand the wording to include the university system because of the access to smaller rural communities with met-net. The **SPONSOR** is aware of this amendment, though the **SPONSOR** did not say whether he found it acceptable.

REPRESENTATIVE PETERSON said he sees his name as one of the sponsors and he considers the amendment a friendly one.

REPRESENTATIVE LEHMAN asked, if this bill is passed, would it allow local school districts to enter into these agreements with the schools mentioned and then money from the general fund, received for ANB payments would be utilized to pay for tuition of these students? **Connie Erickson** said not necessarily.

Originally it was going to be from ANB payments. That language was struck. She thinks that the possibility would exist that it could be done and would depend on how it was figured out in the inter-local agreement. It is also possible that the student would be required to pay. Maybe the college would discount. The possibility exists that it could be out of ANB, depending on the inter-local agreement. **REPRESENTATIVE LEHMAN** said that his concern would be that the committee listens day after day to a superintendent of schools or to messages from teachers about cut backs in funding, etc., and he would not be opposed to the bill if he was certain that ANB payments were not going to be used as tuition payments. If you filter that down even further what you are doing is taking part of the property tax of which some poor little old lady in Power, Montana, struggled to pay, to pay for some young student's college tuition. He doesn't believe that is right. **REPRESENTATIVE PETERSON** said he understands the wording in the same way that **Connie Erickson** reads it. **REPRESENTATIVE PETERSON** said he believes it would be determined by the inter-local agreement. You would probably have the attorneys from both side sit down and hammer out an agreement. If some school districts thought they could use some of their ANB money, then it would be part of the agreement. It would be determined by the language of the agreement.

Motion/Vote: **REP. MANGAN** moved the **SECOND MANGAN AMENDMENT TO HB 265 DO PASS**. **Motion carried unanimously.**

Motion: **REP. OLSON** moved that **HB 265 DO PASS AS AMENDED**.

Discussion:

REPRESENTATIVE OLSON said it is going to be a local control issue. It is up to the board of trustees if they want to enter into an agreement. If the board enters into an agreement and it wants out, they can get out.

REPRESENTATIVE ANDERSEN said that it is her experience that some school districts are already doing something similar to this bill. Some school districts pay a portion of the student's costs and some don't.

REPRESENTATIVE MANGAN said that he is very pleased with this bill. It is a fantastic bill. Local school districts will have the ability to sit down and work with colleges based on what their concerns are, what their budgets are, what they see as positive for their schools, etc. It certainly is an economic development piece. It can assist in getting youth that may not be thinking about college involved in college programs. It opens up the world of the university system to some of the smaller

communities. It makes the universities think about the needs of rural students. It can attract and keep some of those students in Montana schools. The local control aspect will allow the school system and colleges to develop a plan to keep costs down or set limits. Maybe a school district will try this as an at-risk program. Another school district may decide to use this as a gifted program. One amendment took out the amount, so the bill gives more discretion for the two systems to work together and negotiate a decent cost that could be beneficial to both. We can get the attention of kids early, such as on the reservations, and get them interested in education. He believes costs can be held down by challenging schools in the university system to develop programs that are cost effective, while still allowing the quality. What a wonderful opportunity for our youth. It is not going to cost much at all.

REPRESENTATIVE PETERSON said he wished to speak in favor of the bill. He wished to point out that this gives an opportunity for the gifted, the kids on the top rungs, or over achievers, to stretch their wings and get out and sample some other educational opportunities in the world. He believes the bill is a good one.

REPRESENTATIVE BRANAE said that Billings does something like what this bill will allow. The student gets high school and college credit at MSU-Billings. This is an advantage for the school also.

The college looks at it as a recruitment feature. Once they get the kids up there, the kids think this might be a good place to go to school.

Motion/Vote: REP. OLSON moved that HB 265 DO PASS AS AMENDED.
Motion carried unanimously.

EXECUTIVE ACTION ON HB 358

Motion: REP. OLSON moved that HB 358 DO PASS.

Discussion:

Motion: REP. MANGAN moved that AMENDMENT HB035801.ACE DO PASS.

Discussion:

Connie Erickson said the amendment was suggested by the **SPONSOR**. The amendment occurs on page 2, line 16. The way the bill is drafted, if a school district decides to open or reopen a school, they can do so in the middle of the year. Currently you cannot open a school in the middle of the school year. You have to wait

until the beginning of the next year. This bill will allow them to open the school in the middle of the year, if they chose to do so. The issue was, how do they fund that? Who is going to pay? Originally what the committee had for language was on lines 15 - 17. What was originally worked up was to have the Superintendent of Public Instruction approve the budget that would be submitted by the trustees for the remainder of the year. If necessary, OPI could make some adjustments to that budget. Then OPI would prorate the K-12 base aid to reflect the portion of the school year which the school will be in operation. After the bill was drafted, **REPRESENTATIVE BALES** was concerned that the amount of money was not enough to open a school, but that the locals would not have the money or the ability to kick in. What he wanted to do was to strike the last phrase and what we do is say that the Superintendent of Public Instruction will approve or adjust the budget request and will fund the budget for the portion of the school year in which the school will be in operation. The amendment requires OPI to fund the necessary costs of opening the school for the rest of a year.

REPRESENTATIVE GALVIN-HALCRO asked if the fiscal note is correct? **Connie Erickson** said no. **REPRESENTATIVE GALVIN-HALCRO** asked if anyone could say how far off it was? The question was given to **Mr. Cooper**. He said, in looking at the fiscal note, he thinks it would have the potential of growing to \$13,333.

REPRESENTATIVE LEHMAN asked if a district decided to open a school in mid September, basically the amendment then says that OPI is financially responsible for most of the year? **Mr. Cooper** was asked for an answer. He said that OPI would only be responsible for that part of the year that would normally come from the base aid. The district would have to come up with the rest of the money. **REPRESENTATIVE LEHMAN** said the amendment did not read that way.

REPRESENTATIVE OLSON had a question for **Mr. Cooper**. If the elementary base is \$18,600 and then there is ANB on top of that, would they be looking at about \$22,000? **Mr. Cooper** said that in rethinking his answer to the last question he was wrong and **REPRESENTATIVE OLSON** is correct.

REPRESENTATIVE ANDERSEN said it does say in the bill that OPI will approve or disapprove the request. If there was going to be a great deal of cost, OPI would have the option of disapproving the school opening.

Motion/Vote: REP. MANGAN moved the AMENDMENT TO HB 358 DO PASS.
Motion carried unanimously.

Motion: REP. OLSON moved that HB 358 DO PASS AS AMENDED.

Discussion:

REPRESENTATIVE OLSON said he wished that he had read the bill as closely as REPRESENTATIVE ANDERSEN. If OPI doesn't feel that the funding is there to open the school, then it won't happen.

Motion/Vote: REP. OLSON moved that HB 358 DO PASS AS AMENDED.
Motion carried unanimously.

ADJOURNMENT

Adjournment: 5:30 P.M.

REP. Bob Lawson, Vice Chairman

NINA ROATCH, Secretary

GM/NR

EXHIBIT (edh31aad)